

# ARIZONA RACING COMMISSION

604<sup>TH</sup> REGULAR MEETING

WEDNESDAY, APRIL 13, 2011

## MINUTES OF REGULAR MEETING

A public meeting of the Arizona Racing Commission was convened on Wednesday, April 13, 2011, beginning at 10:07 a.m. in the Building Conference Room, Suite 250, at 1110 West Washington Street, Phoenix, Arizona 85007.

### **Present – All members present:**

<b>Chair</b>	<b>Erin Owens</b>
<b>Vice-Chair</b>	<b>A. Mel McDonald</b>
<b>Commissioner</b>	<b>Thomas E. Kelly</b>
<b>Commissioner</b>	<b>Burton S. Kruglick</b>
<b>Commissioner</b>	<b>Jay McClintock</b>

**Also Present:** Lonny T. Powell - ADOR Director, Mary D. Williams, Assistant Attorney General, and Kim McCollum- Commission Secretary

### **A. Call to Order**

**Chair Owens** called the 604<sup>th</sup> Regular Meeting of the Arizona Racing Commission to order at 10:07 a.m.

The following matters were discussed, considered and decided at the meeting:

#### **Approval of the Minutes:**

Minutes of the 603<sup>rd</sup> Regular Meeting held on Wednesday, March 09, 2011 – **Commissioner McDonald** moved for approval. **Commissioner Kelly** seconded the motion. **All in favor.**

### **B. Information Reports – Director requested to go out of order.**

**2. Introduction and remarks by New Commissioner –Jay McClintock** shared some of his background information. **Chair Owens** and **Director Powell** stated how pleased they were to have **Commissioner McClintock** aboard.

**3. Remarks and recognition of outgoing former Chair and Commissioner Paul Ulan – Chair Owens** expressed words of gratitude to Mr. Ulan for his service on the Commission, to the State of Arizona and the industry. **Chair Owens** presented **Mr. Ulan** with a plaque. **Mr. Ulan** thanked the Commission for a wonderful experience and wished the new commissioner well.

**1. Department Monthly Report – Director Powell** reported on the quarterly Departmental operational statistics, which included 1,045 licenses issued (over 800 in horse industry and over 200 in greyhound industry), the Department conducted over 80 investigations and 78 of them were referred to the Board of Stewards. There were 162 Stewards Rulings (150 Horse), 9 Director's Hearings, and 2 matters referred to the Office of Administrative Hearings. On the upcoming racing calendar, Santa Cruz Fair/Sonoita was scheduled to run the weekend of May 7 (Kentucky Derby Day) and May 8, 2011. Turf Paradise's season would end on Sunday, May 8, 2011. Site inspections of track, facilities, and technologies were scheduled for some time between April 30 and May 13, 2011 at Yavapai Downs by Department staff, including **Director Powell**. ADOR Licensing office would begin at Yavapai Downs on May 17, 2011. Department staff will participate in an all horsemen's meeting facilitated by HBPA and Yavapai Downs possibly a week before the start of the meet and that he would like a meeting to discuss possible solutions. **Commissioner Kruglick** commented that there was a serious problem within the county fair racing industry and stated that he would like a meeting to discuss possible solutions. **Director Powell** replied that because it was not an agenda item, there could be no discussion on the matter but it would be placed on June's Commission Meeting Agenda. **Director Powell** further reported that the state budget was approved and one historic development was the industry and Department collaborative efforts produced the necessary funding for the Department. Previously, all of the Department's funding was from State Appropriations. Starting FY 2012, July 01, 2011 through June 30, 2012, the Department would lose half of its state funding which would be replaced with funding from the industry. Beginning FY 2013, July 01, 2012 through June 30, 2013, the Department would lose all of its state funding and become 100% funded by the industry. **Director Powell** mentioned that the Department is temporarily exempt from the rulemaking process regarding rules specific to enabling funding via the new budget for the first 12 months. The Department would present the rules to the Commission at the June meeting. A new Racing Regulatory Fund has been created for this new funding. **Director Powell** expressed his gratitude for the efforts, resources, and willingness of the industry to make this funding happen. **Commissioner Kelly** asked how much did each permittee contribute. **Director Powell** replied with estimates of each track's contribution. **Chair Owens** stated that she was impressed by the commitment of the industry and she commended everyone for showing what the industry was made of. **Director Powell** stated that the proposed merger between the Department of Racing and Department of Gaming together

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outside of the ISA and sharing office space, as mentioned at an earlier meeting, did not advance in the Legislature and would not be happening.

4. **Special Guest Remarks by State Senator Steve Pierce – Director Powell** reported that if Senator Pierce was not present by 11:00 a.m. than he wouldn't appear due to a change in the Legislature's floor voting schedule. If this were the case, the Senator offered his regrets and would arrange to appear at a future meeting.

5. **Permittee Reports – Chair Owens** commented on the importance of permittees and members of the industry providing updates on what was happening in their specific areas at the monthly meeting. Updated information would help keep everyone appraised, educated, and able to make better decisions going forward.

- **Turf Paradise- Vincent Francia, General Manager**, stated that he was the Mayor of Cave Creek but not attending the meeting in that capacity. **Mr. Francia** reported that Turf Paradise was in the final 17 days of a 156 day meet. On track live race handle was up one percent from the previous year, off track betting/wagering was even with the previous year's handle, and on track live race attendance was up 6.3%. The attendance increase was due to social media which attracted younger people and resulted in 15,000 more people than the same time last year. **Mr. Francia** acknowledged the HBPA for their help with a number of promotions, such as Fan Appreciation Day which saw 1200 more people than the previous year and twilight Fridays, Fridays with a 3 p.m. post time. **Mr. Francia** further reported that they anticipated a very busy closing weekend, which included Twilight Friday, Kentucky Derby Day, May 7<sup>th</sup> was 98% sold out, and Mother's Day. In closing, **Mr. Francia** stated overall the track was making small gains and the most important and biggest decision was jumping into social media. **Chair Owens** congratulated the permittee for taking steps forward.
- **Tucson Greyhound Park – Tom Taylor, General Manager**, reported that in the last 4 months, the number of races had increased from 12 races a night to 13 to 14 races a night. Adoptions were up and their permit application should be administratively complete. **Mr. Taylor** stated that it was nice to hear that social media was working because two months ago they had established a social media committee. **Commissioner Kelly** inquired about an article which reported that Tucson Greyhound Park was closing. **Mr. Taylor** stated that Tucson Greyhound Park was not closing as stated in an article and that they hoped to be around for another 60 years.
- **Yavapai Downs – Mike Mullaney, Acting General Manager**, reported that Yavapai was in the process of restructuring a USDA loan and the process was favorable. **Mr. Mullaney** further reported that Yavapai was embattled with the County Tax Assessors office due to their status as a C5 was being challenged by the county. An agreement with the horsemen had been reached and they were negotiating with new OTB's and old OTB's. **Chair Owens** asked when the meet started. **Mr. Mullaney** replied on May 28<sup>th</sup>. **Director Powell** commended **Mr. Mullaney** on his hard work thus far and stated that he appreciated **Mr. Mullaney's** effort.
- **Rillito – Patricia Shirley, Officer and Board Member**, reported that they had submitted paperwork for a 3 year permit which requested 9 weeks of racing. Also included with the permit was the 3 year lease agreement with Pima County and an agreement between Pima County Fair Horseracing Commission and P.C.H.A. There was one change made to the commercial permit, which was to change Bill Matthews and Jim Collins from key persons to Directors. **Chair Owens** stated that Ms. Shirley's optimism was a breath of fresh air. **Director Powell** stated that the Department would evaluate, economically, how this could work and that **Ms. Shirley's** optimism and enthusiasm was refreshing.
- **County Fairs –No report**
- **American Greyhound Racing – Dan Luciano, General Manager**, reported that they continued to operate 17 OTB's under the theory "less is more." Noticed in the last month the trend was up, some of the people that used to play have come back, about 5-20% from last year. Arizona Adopt-A-Greyhound would have the wiener dog races at a park in Tempe.

6. **Optional Industry Stakeholder Association – Chair Owens** stated that this optional agenda item was added as an opportunity for other industry stakeholders to share their concerns, sing their praises and/or educate and update the Commission. This item will remain on the agenda.

a. **Arizona Greyhound Association – No Report**

b. **Arizona Quarter Racing Association – Loretta Brasher, Executive Director** reported that quarter horse racing depended on county fairs, there was a lapse this year in county fair racing so they partnered with Turf Paradise which opened a door for them. In the month of March, every

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Friday there was live quarter horse racing at Turf Paradise. In April, twilight racing afforded quarter horses a new market. AQRA would add money for every Arizona bred horse racing at Yavapai this summer. **Patti Shirley** commented that Rillito was the only mixed breed racetrack in the country where quarter horses out handle thoroughbreds consistently.

- c. **Arizona Thoroughbred Breeders Association – Yvonne Kunz**, reported that on April 29, 2011 there would be an Awards banquet to honor their champions. The following day they would hold their Breeder's Festival at Turf Paradise, which was a full day of racing featuring Arizona bred thoroughbreds. **Ms. Kunz** further reported that every year in October they have a mixed sale and there would be a 2 year old race in early May for the thoroughbreds offered at the sale. The trials would be on April 22 and the finals on the last day of racing.
- d. **Horsemen's Benevolent & Protective Association – Tom Metzen, Executive Director**, reported that he was grateful and happy to work with Vince Francia on promotions at Turf Paradise and they were really pleased with Fan Appreciation Day. **Mr. Metzen** further reported that they had been working with other members of the industry to try to get racino legislation passed. He was glad to see new management at Yavapai Downs and had spent the last two days with Yavapai's new Director of Racing. **Mr. Metzen** further reported that they had more stall applications than there were stalls and that they were looking forward to a great meet. **Mr. Metzen** announced that Gary Miller was the new president of the association replacing Mike Napier. **Chair Owens** commended members of industry for working hard and working together.
- e. **Jockey's Guild – No report.**

## 7. Industry Legislative Updates

- **Pending Industry Related Legislation – John Mangum, attorney for Turf Paradise**, reported that there would be no racino bill in this legislative session because the legislature simply ran out of time. **Mr. Mangum** commended the industry, primarily horsemen associations, for sponsoring a Legislative dinner that was well attended by legislators who were all pleased with what they heard. In terms of legislation affecting the industry, there was language inserted into the budget reconciliation bills on regulation which allowed the Department to raise money to fund the racing regulatory fund which was created in the same bill.

## C. New Business

1. **Request to change the date and location of the June 14, 2011 Arizona Racing Commission Meeting to June 8, 2011 at the Phoenix location.** The June meeting would have some really important items on the agenda such as the rules mentioned earlier in this meeting and should be held in Phoenix. **Commissioner Kelly** moved to change the date and location of the June meeting. **Commissioner Kruglick** seconded the motion. **All in favor.**
2. **Request to Amend FY 2011 racing dates for Cochise County Fair ("Douglas") – Director Powell** reported up until this year Douglas raced live but this year did not have the funding to race live. Douglas was requesting to race their days at Turf Paradise. Department recommended approval of Douglas racing at Turf Paradise on April 16, 17, 30, 2011 and May 01, 2011. **Commissioner Kelly** moved for approval of Douglas racing at Turf Paradise on April 16, 17, 30, 2011 and May 01, 2011. **Commissioner McDonald** seconded the motion. **All in favor.**
3. **Request by Turf Paradise (TP Racing L.L.P.) for the following Off-Track Betting facilities:** **Director Powell** stated that the Department found the reports to be in order and that **Bill Walsh, OTB Coordinator** had inspected the facilities. The Department recommended approval. **Commissioner McDonald** moved to approve Yuma Landing Company in Yuma and Screwballs in Avondale as OTB facilities. **Commissioner Kelly** seconded. **All in favor.**
4. **Animal Adoption Grant Proposals – Assistant Director Joyce Cozby** reported that there were two applicants for the greyhound adoption fund, both received the award last year, and as of March 1<sup>st</sup> there was \$600 for grants, twice as much as last year. The Department recommended that the grant be split equally between the two organizations. **Ms. Cozby** also reported that there was one application for the Retired Race Horse adoption Fund grant, the same recipient as last year, and the total amount of the grant was \$1,483. The Department recommended that the total grant be awarded to the one organization. **Chair Owens** commented that one of the key things in the sport was the health and welfare of the animal athletes and she commended the adoption agencies for their commitment to the work and animals.

11:15 a.m. - Commissioner McDonald excused himself.

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- **Greyhounds –Commissioner Kelly** moved to equally split the \$600 grant between Friends of Retired Greyhounds and Greyhound Pets of Arizona. **Commissioner Kruglick** seconded the motion. **All in favor.**
  - a. Friends of Retired Greyhounds, Johnstown, CO
  - b. Greyhound Pets of Arizona, Glendale, AZ – **Dr. Leah Cole, Volunteer Coordinator**, reported on some of the organizations highlights and activities, such as they had adopted out approximately 50 dogs this year and that their fees remained the same. They also helped the thoroughbred organizations by fostering horses. The organization had a nice segment on Sonoran Living for National Greyhound Month.
- **Horse –Commissioner Kelly** moved to award the \$1,483 grant to Equine Encore Foundation. **Commissioner Kruglick** seconded. **All in favor.**
  - a. Equine Encore Foundation, Tucson, AZ – **Patti Shirley** reported on her successful program.

### D. Commission Reports

- a. **Commissioner Kruglick** expressed his gratitude for the donut contributor.
- b. Chet Johns – **Chair Owens** made special note of the passing of Mr. Johns a contributor to the racing industry and agricultural community.

The next regular Commission meeting will be held **Wednesday, April 13, 2011, at 10:00 a.m.** in the Building Conference Room, Suite 250, at 1110 West Washington Street, Phoenix, Arizona 85007.

### E. Call to the Public

- a. **Tom Taylor, General Manager**, stated that he appreciated the adoption agencies for a job well done.
- b. **Loretta Brasher**, expressed gratitude for help with the Legislative Dinner to HBPA, Turf Paradise, County Fairs ATBA, **Director Powell** and commissioners that were able to attend.

### Adjournment

**Commissioner Kelly** moved to adjourn the meeting. **Commissioner Kruglick** seconded the motion. **All in Favor**

This public meeting adjourned at 11:25 a.m.

Dated this 9<sup>th</sup> day of May, 2011

Arizona Racing Commission

By Kim McCollum  
Kim McCollum, Commission Secretary